



December 20, 2023

Richard Whitley
Director
Nevada Department of Health and Human Services
1100 E William St, Ste 101
Carson City, NV 89701

Re: Nevada Section 1332 Waiver Application

Dear Director Whitley:

Thank you for the opportunity to provide feedback on the Nevada Section 1332 Waiver Application.

The undersigned organizations represent millions of individuals facing serious, acute and chronic health conditions in Nevada. We have a unique perspective on what individuals and families need to prevent disease, cure illness and manage chronic health conditions. The diversity of our organizations and the populations we serve enable us to draw upon a wealth of knowledge and expertise that is an invaluable resource regarding any decisions affecting healthcare programs and the people that they serve. We urge the state to make the best use of the recommendations, knowledge and experience our organizations offer here.

Our organizations are committed to ensuring that Nevada's healthcare programs provide quality and affordable healthcare coverage. We appreciate that this waiver is moving forward and support the state's commitment, as codified by Senate Bill 420, to implement a new coverage program for improving access to affordable coverage. However, we urge the state to use pass-through funds generated by the waiver to support a premium subsidy program for Nevadans with low-incomes. We believe a subsidy program best aligns with the purposes of the state statute and will be far more effective at improving coverage access and affordability than the state's current proposal.

Senate Bill 420 declares that the state's new coverage program is intended to lower premiums and other healthcare costs by leveraging the state's purchasing power, improve access to high-quality and affordable healthcare, reduce disparities in access to health care, and increase competition in the individual health insurance market.¹ To support the program, state law also requires the submission of a Section 1332 waiver. The statute also identifies, as a purpose for such a waiver, securing federal financial support to subsidize health coverage for low-income residents.

Consistent with the statute, Nevada originally planned to use a Section 1332 waiver to fund a state premium subsidy program directed towards low-income enrollees.² We support this approach. Nevada ranks in the top ten states with the highest uninsured rate. Among individuals with incomes from 200-399% of the federal poverty level, Nevada's uninsured rate is nearly 15%; for those with incomes from 100-199% FPL, the rate is nearly 19%; for people under 100% FPL, it is about 20%.³ Research consistently shows that higher cost-sharing, including premiums, is associated with decreased use of preventive services and medical care among low-income populations.⁴ Nevadans, particularly those at low incomes, would better be able to afford quality coverage and to access care with the assistance of premium subsidies.

The new waiver draft proposes to use most pass-through funds to support a reinsurance program. Though we agree that reinsurance can play a role in addressing affordability, the benefits of such a program flow primarily to individuals at higher incomes who are not eligible for federal premium tax credits. It does not make coverage cheaper for people — generally at lower incomes — who already qualify for federal subsidies.⁵

As the state's own analyses demonstrate, a premium subsidy program would do far more to increase access and affordability — particularly for low-income residents — than reinsurance would. According to the state, a waiver with a premium subsidy program could be expected to increase individual market enrollment by 5,900 in 2027, rising to 12,200 by 2030. These benefits greatly exceed the predicted effects of the new reinsurance-focused waiver, which may raise enrollment by about 1,800-2,100 annually (with much of these gains concentrated among residents at higher incomes).

Once again, our organizations thank you for releasing this draft application for public comment and moving forward with the waiver process outlined in state law. We encourage you to use pass-through funds to support a premium subsidy that would maximize the number of patients and consumers who gain coverage under the waiver. Thank you for the opportunity to provide comments.

Sincerely,

American Heart Association
American Lung Association
Child Neurology Foundation
Cystic Fibrosis Foundation

Epilepsy Foundation of America
Hemophilia Federation of America
National Bleeding Disorders Foundation
National Multiple Sclerosis Society
National Patient Advocate Foundation
The Leukemia & Lymphoma Society

¹ Nevada State Legislature. Chapter 695K-Public Option. Available at: <https://www.leg.state.nv.us/nrs/NRS-695K.html>

² Section 1332 Waiver Application Nevada Public Option. Nevada Department of Health and Human Services. December 27, 2022. Available at: https://dhcfnv.gov/uploadedFiles/dhcfpnavgov/content/MarketStabilization/Archive_1332_Application_Consolidated_Remediated.pdf

³ KFF, Uninsured Rates for the Nonelderly by Federal Poverty Level (FPL), 2022. Available at:

<https://www.kff.org/uninsured/state-indicator/nonelderly-uninsured-rate-federal-poverty-level-fpl>.

⁴ Artiga, Samantha, Ubrri, Petry, and Zur, Julia. The Effects of Premiums and Cost-Sharing on Low-Income Populations: Updated Review of Research Findings. KFF. June 1, 2027. Available at:

<https://www.kff.org/medicaid/issue-brief/the-effects-of-premiums-and-cost-sharing-on-low-income-populations-updated-review-of-research-findings/>

⁵ This is because of how ACA premium tax credits are calculated. In practice, from a consumer standpoint, reinsurance functions as a premium subsidy for people who are otherwise unsubsidized: in general, it lowers premiums for those who earn too much to qualify for a federal premium tax credit but does not improve affordability for those who, because they are at lower incomes, receive the premium tax credit.